

## **MINUTES**

### **VIRGINIA SMALL BUSINESS FINANCING AUTHORITY BOARD OF DIRECTORS MEETING - LOAN BUSINESS**

**October 29, 2002 - 10:00 A.M.**

**8<sup>th</sup> & Main Building, 3<sup>rd</sup> Floor Conference Room  
Richmond, Virginia**

- I. Voting members present: Andy Brownstein, Hattie Hamlin, Leon Moore (via telephone), Joe Underwood, and Bob Young (for Jody Wagner).  
Others present: Scott Parsons, Patty Thorne, Mark Heede, Anna Mackley Cobb, Thadd Kezar, and Brett Sheffield.

- II. Announcement of Electronic Participation - On October 28, 2002, the VSBFA was informed by one of its Board members that he would not be able to attend the meeting as planned. Therefore, we did not have a quorum and two important projects that impacted jobs in Virginia needed to be considered at the meeting. In order to re-establish a quorum, Mr. Leon Moore, a Board member in Floyd County, was contacted and informed Mr. Parsons that he could be available via phone. Mr. Bill Diamond, assistant attorney general, was then contacted and he checked under FOIA and determined that it was possible to have Mr. Moore participate via phone if the executive director, Mr. Parsons, considered it an "emergency." Mr. Parsons deemed it an emergency.

Therefore, the minutes reflect that Mr. Moore is participating via telephone from the office of the president (open to public) at the Bank of Floyd, 101 Jacksonville Circle, Floyd, Virginia. Mr. Moore has posted notice of the meeting in the lobby, which is publicly accessible and Mr. Parsons has posted both locations in the 3<sup>rd</sup> floor lobby at 707 E. Main Street, Richmond, Virginia, and on the home page of the VSBFA web site. Mr. Moore has a speaker phone and his office is open and accessible to the public so that any member of the public can listen and participate.

Patty Thorne, senior project finance manager who has been on sick leave, introduced herself to the new Board members.

- III. Selection of Chairman - There being no chairman yet appointed by the Governor and in absence of the Vice Chairman, Mr. Bob Young was asked to chair the Board meeting.
- IV. Change in Procedure - Because this is an electronic meeting, all votes must be made by roll call and included in the minutes. The Chair will instruct the Executive Director to call roll.

- V. Approval of Minutes - On a motion by Joe Underwood, seconded by Hattie Hamlin, the minutes of the September 24, 2002 Board of Directors - Loan Business Meeting were unanimously approved.  
Roll Call - Ayes: Mr. Brownstein, Ms. Hamlin, Mr. Moore, Mr. Underwood, and Mr. Young. Nays: None.
- VI. Economic Development Loan Fund Applications
- A. Riverfront Development, LLC - Lynchburg - \$1,000,000. Mark Heede presented the loan request to the Board. A motion was made by Andy Brownstein and seconded by Hattie Hamlin, to have the staff continue due diligence and re-present this application to the Board in November.  
Roll Call - Ayes: Mr. Brownstein, Ms. Hamlin, Mr. Moore, Mr. Young. Nays: Mr. Underwood. Motion carried.
- B. SouthStar Packaging, LLC - Prince George County - \$1,000,000. Anna Mackley Cobb presented the loan request to the Board. On a motion to approve as presented by staff to include a 100% guarantee by individuals (joint & several) to total \$1,000,000 by Joe Underwood, seconded by Andy Brownstein, the Board of Directors unanimously approved a \$1,000,000 5-year term loan to assist the company in financing utility improvements.  
Roll Call - Ayes: Mr. Brownstein, Ms. Hamlin, Mr. Moore, Mr. Underwood, and Mr. Young. Nays: None.
- VII. Bristol Garment, Inc. Collections Effort - Mark Heede presented to the Board information to collect on an outstanding debt under the Economic Development Loan Fund for Bristol Garment, Inc.. On a motion by Andy Brownstein, seconded by Hattie Hamlin, the Board of Directors unanimously approved the amended request as presented.  
Roll Call - Ayes: Mr. Brownstein, Ms. Hamlin, Mr. Moore, Mr. Underwood, and Mr. Young. Nays: None.
- VIII. Update on the Loan Guaranty Program (LGP) - Brett Sheffield presented an overview on the LGP to Board members that included information on the status of the loan portfolio, the default ratio of 1.25%, and the available funding.
- IX. Adjourn - On a motion by Joe Underwood, seconded by, Hattie Hamlin, the meeting was adjourned.